GOVERNMENT PURCHASE CARD
Ethics and Operations Training

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GOVERNING REGULATIONS

- Army Government Purchase Card Operating Procedures –
- Federal Acquisition Regulation (FAR), Part 8 Required Sources Of Supplies And Services
- Federal Acquisition Regulation (FAR), Part 13 “Simplified Acquisition Procedures”
- Defense Federal Acquisition Regulation Supplement (DFARS), Part 213.301 “Government-wide commercial purchase card”
- Army Federal Acquisition Regulation Supplement (AFARS), Part 5113.2 “Simplified Acquisition Procedures”
- Treasury Financial Manual, - Vol. I, Part 4, Ch. 4500, “Government Purchase Cards”
- Department of Defense (DOD) Financial Management Regulation (FMR) Vol. 10, Ch. 23, “Purchase Card Payments”
- DOD FMR Vol. 10, Ch. 23, Annex 1, “Purchase Card Certification Statements”
- DOD FMR Vol. 10, Ch. 2, “Discount Offers and Rebates/Refunds”
- DOD Government Charge Card Guidebook for Establishing and Managing Purchase, Travel, and Fuel Card Programs (DOD Guidebook)
- OMB Circular No. A-123, Appendix B Revised

CARD CHARACTERISTICS

- Internationally accepted VISA credit card.
- Distinctive Design for Government – Great Seal of the U.S.
- For Official US Government Purchases ONLY/ US Government Tax Exempt
- Card issued to and authorized for specific individual use. Card bears the individual's name. The designated individual is the ONLY AUTHORIZED USER OF THE CARD!

KEY ROLES

- Cardholder (CH) *
  - The Billing Official or Resource Manager must nominate their own CH via email to the APC
- Billing Official (BO) *
  - The Resource Manager or Commander must nominate new BO's via email to the APC
  - The Current BO or Resource Manager should nominate "replacement BO's via email to the APC
- Resource Manager (RM)
  - Nominated via email to the APC by another RM
- Agency Program Coordinator (APC)
  - Appointed by the MICC - FORT SILL

*Delegation of Authority provided in writing by the APC.

The Appointment outlines authority and limitations for their position.

CARDHOLDER SPENDING LIMIT EXAMPLE

- Beacon(Supplies) $2,000.00 (single mission purchase <$3K)
- UNICOR (Office Furniture) $1,500.00 (single mission purchase <$3K)
- DELL (IT Equip) $1,000.00 (single mission purchase <$3K)

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- UNRELATED ITEMS $4,500.00 (within 30 day limit)

CARDHOLDER AND BILLING OFFICIAL PURCHASE LIMITS

SET PURCHASE LIMITS

- Cardholder Single Purchase Limit:
  - Purchases for supplies shall not exceed **$3,000**.
  - Purchases of construction covered under the Davis Bacon Act (DBA) shall not exceed **$2,000.**
  - Purchases of services covered under the Service Contract Act (SCA) shall not exceed **$2,500.**

CARDHOLDER AND BILLING OFFICIAL PURCHASE LIMITS (Cont.)

- Cardholder 30 Day Cycle Limit:
  - Total dollar amount that may be purchased by cardholder in the 30 day billing cycle.
  - May be equal to or greater than the single Purchase Limit.
- Billing Officials 30 Day Cycle Limit:
  - May be the cumulative total of all subordinate cardholders 30 day limits OR a specific monthly budget amount.

CARDHOLDER

- Activate and endorse card upon receipt
- Make legitimate purchase to satisfy a bona fide requirement at a fair and reasonable price.
- Collect & Maintain an Audit Trail of purchases to include receipts and other supporting documentation.
- Create and maintain a transaction log; review posted transaction activity throughout the billing cycle.
- Review and maintain all guidance material provided by the MICC - FORT SILL.
- Reconcile transactions via the bank's online software and Approve Monthly Statement of Account (SOA).
- Maintain Reference Materials (i.e. SOP's, MFR's, Delegation of Procurement Authority letter, etc.).
- Responsible for the physical security of the account number and card at all times.
- Ensure no purchase is made by other than the authorized Cardholder.
- Discontinue purchasing and relinquish card to MICC - FORT SILL APC 45 calendar days prior to departure, termination, retirement.
- Complete DAU GPC refresher training course CLG004 annually.
- Unauthorized use of the GPC and/or intentional violations of GPC policy/procedures may result in the following administrative actions:
  - Written Reprimand
  - Card Suspension
  - Card Cancellation
  - Personal liability for amount of purchase

CARDHOLDER Responsibilities (cont.)

- Cardholder will
  - Enter the transaction into the transaction log at the time the order is placed.
  - Verify/sign & date SOA/approve transactions & cycle statement in ACCESS within 3 business days of the cycle closing date.
- Settle dispute with vendor/file formal dispute (CSQI) with bank
- Forward all original documentation to billing official to include:
  - - SOA (transaction management approval page)
  - - receipts
  - - Disputes cardholder statement of questioned items(CSQI)
- - Credit card log
  - - Funding authorizations
  - - FAR part 8 MARKET RESEARCH
  - - Required approvals
  - - Justification memos
  - - And other documentation as required

BILLING OFFICIAL RESPONSIBILITIES

- Responsible for oversight of Cardholders (not to exceed seven cardholders at one time).
- Review and maintain all guidance material provided by the MICC - FORT SILL
- Monitor/Review/Verify all cardholder transactions.
- Ensuring Cardholders fulfill their responsibilities by conducting Cardholder compliance reviews .
- Certify Billing Statement for payment NLT five (5) business days from cycle close – 19th of Month.
- Nominate Cardholder candidates through Resource Managers to Agency Program Coordinator (APC).
- Designate an “Alternate Billing Official” to perform the Primary’s duties in their absence.
- Request Cardholder account set-up, maintenance through RM to APC.
- Cancel and relinquish card to MICC - FORT SILL APC at least 30 calendar days prior to cardholder departure, termination, retirement.
- Notify APC of Billing Official cancellation or departure requirements 60 calendar days prior to cancellation/departure.

BILLING OFFICIAL RESPONSIBILITIES (cont.)

- ***"REFRESHER TRAINING REQUIRED ANNUALLY FOR ALL APPROVING OFFICIAL AND CARDHOLDERS"***

- Billing
  - Retain records for up to 6 years and 3 months. If there are disputes the documentation for the disputed transactions must be held for 6 years and 3 months or until disputes are resolved – to include:
    - Copy of SBF
    - CH original SOA, copies of receipts and credits
    - CH transaction log, CSQI's
  - Have ACCESS to cardholder's files
  - Approve cardholder's purchases
  - Verify purchases are not split by cardholder or among all cardholders
  - Verify purchases are not for personal use
  - ensuring adequate funding exists prior to approving the purchase
  - reviewing CH's statement and approving CH statement in the CH's absence within the required time frames

Resource Manager Responsibility

- Reserve funds prior to GPC use
- Define and complete financial management rules/parameters (LOA, cycle limits, etc.) for Cardholders and Billing Officials in the Organization.
- Determine reallocation rights and methods to be used by the organization
- Provide accounting support and guidance for GPC purchases for the Organization Users
- Review and maintain all guidance material provided by the MICC - FORT SILL
- Coordinate and process “Reject” invoice for manual payments

Agency Program Coordinator Responsibilities

- Maintain liaison with GSA, Bank, functional proponents
- Process account set-up and maintenance requests
- Develop, conduct and verify prescribed training for GPC participants
- Prepare and distribute policy and procedure guidance and Delegation of Authority Memoranda
- Perform annual oversight reviews to ensure policy and procedure compliance

U.S. BANK RESPONSIBILITIES

ISSUE PURCHASE CARDS

- Card will be sent to Government work addresses.
- Cards are usually received within 2 weeks AFTER the APC receives all required paperwork.
- Contact the GPC Team if you have not received your card in 15 days.
- Statement available ON-LINE by the 20th of each month.
- STATEMENTS WILL NOT BE MAILED to CARDHOLDERS

CUSTOMER AUTOMATION AND REPORTING ENVIRONMENT (A.X.O.L.)

- Use of the bank's ACCESS Online (A.X.O.L.) electronic ACCESS system is MANDATORY for all Army accounts. HTTPS://ACCESS.USBANK.COM
- US Bank A.X.O.L. Training Website is available to Cardholders and Billing Officials 24/7: Https://wbt.access.usbank.com
- A.X.O.L. Training Password: WBT password changes every 60 days contact your APC for updated password
- Cardholders, Billing Officials and Resource Managers will obtain an ACCESS ON Line user ID and Password when they complete the ACCESS Self Registration

ACCESS ONLINE (A.X.O.L.)

- **Cardholders** – MUST use the Transaction list and Order Matching in Transaction Management Module in A.X.O.L. This is MANDATORY and must be completed EACH month for EVERY transaction within 3 business days of cycle close, in order for billing officials to be able to certify the managing accounts. The cardholder must enter the "name" of each item they cannot put office supplies, hardware, repair parts, etc.
  - Cardholders must create "Line Item Details" with EACH and EVERY Order they enter in the Bank's Online Reconcilement Software.

- **Billing Officials** – SHALL use the Transaction Management / Transaction List Module feature to perform surveillance/oversight and "Final Approval" of cardholders transaction activity. Billing Officials must certify their managing accounts with in 5 business days of cycle close, in order for DFAS to pay the bank on time and full rebate credits to be earned.

- NO EXCEPTIONS!
  - If you have any questions about how to comply with the requirements listed above contact your APC!

APPROVING TRANSACTIONS AND STATEMENT

NOTE: All Cardholders and Billing Officials will use the US Bank ACCESS Online System for approving/certification of transactions for payment.

1. Check the amount billed and verify receipt of all items.

2. Approve transactions and statements within 5 calendar days of cycle ending.

3. Attach back-up documents to the Statement (receipts, approvals, written requisition) and forward package to Billing Official for review.

4. The Billing Official will check for compliance and validity of purchases. NOTE: The Billing Official shall retain the Statement of Account and all supporting documents. It is recommended that the cardholder maintain a copy of all documents provided to the Billing Official.

ARMY PURCHASE CARD ACCOUNT SUSPENSION POLICY

- IAW DoD Policy, US Bank will suspend Billing Official Accounts that become 61 days delinquent.
- Billing Official Accounts that become 181 days delinquent will cause ALL FORT SILL ACCOUNTS TO BE SUSPENDED!
- If US Bank suspends an account twice within any twelve month period, the account will be PERMANENTLY CLOSED.
- If Annual Refresher Training is not Completed

ARMY PURCHASE CARD ACCOUNT SUSPENSION POLICY (cont.)

- ALL CARDHOLDER TRANSACTIONS ARE REVIEWED BY THE A/OPC ON A MONTHLY BASIS FOR SUSPICIOUS, UNUSUAL, OR QUESTIONABLE ACTIVITY! Additional suspensions WILL occur if A/OPC:
  - requests information
  - records inspection,
  - invoices are “certified” within 5 days
  - making unauthorized purchases
  - noncompliance with completion of ACCESS transaction or reconciliations
  -account audits are not answered in a timely manner.

SURVEILLANCE (REVIEWS)

- Surveillance, fraud detection and fraud reporting is a shared responsibility among all stakeholders.
- The Army GPC Operating Procedure requires an annual review of 100% of Billing Official accounts.
- A/OPC screens ALL GPC ACTIVITY monthly and conducts purchase reviews on all unusual spending activity.
- Billing Official is responsible for ON GOING surveillance of cardholder accounts.

SPLIT PURCHASES ARE PROHIBITED

What is a Split Purchase?

Split purchases (FAR 13.003(c) (1)). The requirement is the quantity known at the time of the buy. If an individual purchases as [s]he becomes aware of a requirement, the requirement is each. If the person consolidates purchases and buys once a day, the requirement becomes what was received during the day. Splitting is the intentional breaking down of a known requirement to stay within a cardholders single purchase limit to avoid other procurement methods or competition requirements.

The micro-purchase thresholds are:

$3K for Supplies per mission,
$2.5K for Services, per mission, per year
$2K for Construction per mission.

All requirements that exceed the Micro Purchase Threshold **SHALL BE** submitted to MICC - FORT SILL thru PRWeb for contracting action.

Knowingly “splitting a purchase” is: - Improper Business Practice & Prohibited by FAR
- Warrants corrective action by Billing Official and/or APC

SUPPLY DEFINITION

Supply: All property except land or interest in land. Tangible, i.e., desks, chairs, paper, pencils, etc. (This should cover the majority of your GPC purchases.)

SERVICE DEFINITION

- **Service:** Directly engages the time and effort of a contractor whose primary purpose is to perform an identifiable task rather than to furnish an end item of supply. A service may be either a non-personal or personal. It can also cover services performed by either professional or non-professional personnel whether on an individual or organizational basis. Some of the areas in which service contracts are found include: maintenance, overhaul, repair, servicing, rehabilitation, salvage, modernization, or modification of supplies, systems, or equipment. Purchases shall not be processed to pay for performance of an inherently governmental function.

- **Non-personal service:** The personnel rendering the services are not subject to the supervision and control usually prevailing in relationships between the Government and its employees.

CONSTRUCTION DEFINITION

- **Construction:** Construction, alteration, or repair (including dredging, excavating, and painting) of buildings, structures, or other real property. For purposes of this definition, the terms "buildings, structures, or other real property" include, but are not limited to, improvements of all types, such as bridges, dams, plants, highways, parkways, streets, subways, tunnels, sewers, mains, power lines, cemeteries, pumping stations, railways, airport facilities, terminals, docks, piers, wharves, ways, lighthouses, buoys, jetties, breakwaters, levees, canals, and channels. Construction does not include the manufacture, production, furnishing, construction, alteration, repair, processing, or assembling of vessels, aircraft, or other kinds of personal property.

- **NOTE:** All construction requirements must be processed through your DPW Project Manager for approval. That approval must be in the GPC file. If the requirement exceeds $2,000, it must be submitted through PR Web to the Fort Sill's Directorate of Contracting. Do not split it into small segments in order to use the GPC!

WARNING!

- The spending limits for supplies ($3,000), services ($2,500) and construction ($2,000) are set by statutes and **shall not be exceeded!**

- If a cardholder with the $3,000 supply limit uses their credit card for services over $2,500 or construction over $2,000, the single purchase limit for supplies will be reduced to $2,500 on the offending cardholder. Additional punitive action will be considered by the APC based on the severity of the offence!

MICRO-PURCHASE THRESHOLD EXCEPTIONS

PRINTING

- Printing Service SHALL be procured from Defense Automation & Production Service (DAPS) with purchase card as a "Method of Payment".
- Print jobs less than $3000 utilize existing purchase card
- Print jobs greater than $3000 request a "DAPS Restricted" card from the MICC - FORT SILL APC.

COMMERCIAL TRAINING

- GPC will be used as the method of payment for all commercial training requirements equal to or less than $25,000.
- Cardholder will maintain a SF 182 as the transaction document. A copy must be sent to the APC for all transaction over $3K.

* Army GPC Operating Procedures, dtd 23 February 2012

MANDATORY USE (Office Products)

ARMY BLANKET PURCHASE AGREEMENTS (BPAs)

1. BPAs are placed against General Services Administration (GSA) Federal Supply Schedules.
2. The national industries for the blind also received a BPA.
3. Orders are placed against these BPAs using the department of defenses **DOD-EMALL**.
4. These BPAs are mandatory (for Army cardholders) for office products – consumable items routinely used in an office environment. THESE WOULD INCLUDE SUCH ITEMS AS PENS, PENCILS, MARKERS, XEROGRAPHIC PAPER, PRINTING PAPER, FAX PAPER, BINDERS, TAPE, ENVELOPES, DISKETTES, ERGONOMIC PRODUCTS (WRITST AND FOOT RESTS), CLEANING EQUIPMENT AND SUPPLIES, CD ROMS etc….

EXCEPTIONS To the mandatory use of the BPAs and DOD EMALL are:

1. DOD EMALL is unavailable for more than 24 hours
2. CARDHOLDERS MAY PURCHASE OFFICE PRODUCTS FROM SELF-SERVICE SUPPLY STORES (BASE SUPPORT STORES {Beacon Lighthouse INC.}).

RESTRICTIONS
DO NOT USE THE CARD FOR:

- Split purchases
- Items purchased for other than OFFICIAL USE
- Supply/service not authorized for purchase with appropriated funds
- Cash advances
- Travel related expenses (i.e. transportation, food, drink, lodging)
- Gift certificates and gift cards
- Long Term Rental or lease of land or buildings
- Fuel/repair of leased or GSA fleet vehicle

***(See Army GPC Operating Procedures, Appendix C. for a complete listing; you will be held accountable for it.)**

Property Book Office Procedures for GPC

Information furnished by Fort Sill CPBO Diana Small Aug 7th 2014

- References: AR 710-2 & AR 735-5
- REQUESTING SUPPLIES
  - Written requests need to be submitted prior to purchase (s).
  - Receipts/invoices are furnished to supporting PBO within 5 days for posting to the property book.
  - Screening is to determine the accounting requirement for the purchase equipment.

Accounting required for different classification of property

- Nonexpendable- requires Property Book accounting.
- Sensitive- requires Property Book accounting.
- Durable- requires accounting at user level.
- $5,000 threshold requires Property Book accounting.
- Property Book Officer’s discretion

Milestones of Acquisition/property accountability

- Purchase Requests in GFEBS are created, funded and routed to CPBO for level 3 approval.
- Workflow system's PR in GFEB's are approved once information has been verified.
- Contract award or GPC sales invoice provides information on items being shipped to CPBO warehouse for processing and posting to the property book.

Milestones of Acquisition/property accountability, Cont.

- Units/Agencies will filled out DD 250 as receiver, sign and submit documentation to CPBO.
- AESIP requests will be submitted for NSN's requiring catalog information.
- Reconciliation with the PBO can be coordinated to ensure all equipment is posted correctly.

RETURNING MERCHANDISE

1. Over the Counter Purchase – Take items back to the vendor with receipt/invoice. Have credit issued back to card account or exchange.

2. Delivered Merchandise – Contact vendor immediately. Obtain a return authorization number before sending merchandise back. Keep all documentation pertaining to the return.

3. Any merchandise purchased with the Government Purchase Card and returned to the vendor must be credited back to the card. Under no circumstances will cash or an in-store voucher be given to a cardholder for the return of any merchandise.

CHANGES TO YOUR ACCOUNT OR TERMINATIONS

1. Admin Changes –Changes such as your name, phone number and address will require an e-mail or memo from Cardholder or Approving Official TO A/OPC.

2. Spending Limits – Changes to your single purchase will require an e-mail or memo endorsed by both your Billing Official and Resource Management Office.

3. Terminations – To terminate a Cardholder's account, an e-mail or memo from the Billing Official will be required.

DISPUTE PROCEDURES

The most common causes of disputes are:

- unauthorized charges,
- items billed but not received,
- alteration of transaction amount
- and duplicate charges.

DISPUTE PROCEDURES
(Continued)

- The ARMY has implemented the “confirm and pay” procedures.

- All transactions will be approved initially.

- Cardholders are requested to dispute only after first attempting to resolve the problem with the vendor.

- Cardholders must submit the Dispute Form (CSQI) by fax or electronically transmitted using ACCESS Online.

- If bank resolves in favor of cardholder money is credited back to cardholders account

DISPUTE PROCEDURES (Continued)

- If credit does not appear on next month's electronic statement contact bank 1-(701)-461-3466

- With ACCESS Online, cardholders can verify within a week if that vendor has posted credits due to their account.

- Cardholders are only allowed 60 days, from the date of the statement in which the discrepancy posted, to dispute that transaction.

NOTE: Shipping/Handling Charges and Taxes are not disputable items per the terms of the agreement with US Bank and GSA. Cardholders are responsible for resolving these types of discrepancies with the vendor

CARD MISUSE VERSUS FRAUD

- Statutory authority:
  - Any misuse of the GPC is subject to criminal, civil, Uniform Code of Military Justice, administrative, and disciplinary actions as appropriate.
- Misuse
  - Intentional use of a government charge card for other than official government business constitutes misuse, and depending on the situation, may constitute fraud. Each agency develops and implements policies related to employee misuse of charge cards.
    - The different types of misuse include: Purchases that exceed the cardholder's limit; Purchases that are not authorized by the agency; Purchases for which there is no funding; Purchases for personal consumption, and purchases that do not comply with the policies that govern each particular card type.
- Fraud
  - A deception deliberately practiced with the motive of securing unfair or unlawful gain. Specific to our topic here, fraud can be an attempt to cheat the Government and corrupt its agents by using GSA SmartPay cards for transactions not part of official Government business. Like any deception, charge card fraud has its fair share of victims. GSA is posting this information to help you, your agency, and the Federal Government avoid being victimized. Fraud can come in many disguises, such as false emails, mail, or phone calls. Likewise, intentional misuse of a GSA SmartPay card by the cardholder can result in fraud. In addition, non-cardholder fraud involves the use of the charge card or cardholder information by an unauthorized person.

FRAUD-OUTSIDE SOURCES

PREVENTING FRAUD

- Never give your card number over the phone unless you initiated the call or can verify the recipient (If Bank, call them back at Cust Svc number)
- Never place an order with your card over an unsecured web page
- Never allow anyone use of your card
- Never leave your card or bills unattended
- Consider who is within hearing distance when verbally giving your account number
- Shield your account # from view whenever possible
- Refrain from sending e-mail with your account # and expiration date

Monitoring your account on ACCESS Online

WHAT TO DO IF YOU SUSPECT FRAUD

- Call the Bank immediately and report the possible fraud
- Get as much information as possible
- Contact the APC right away and CID if necessary

FRAUD

Different types of Fraud include:

Counterfeit Credit Cards - To make fake cards, criminals use the newest technology to "skim" information contained on magnetic stripes of cards, and also to pass security features (such as holograms).

Lost or Stolen Cards - Often cards are stolen from a workplace, gym or unattended vehicle.

Card Not Present (CNP) Fraud - Internet fraud occurs whenever charge card information is stolen and used to make online purchases. Usually, a merchant will ask for the CVC code (located on the back of the card itself) to help prevent this type of fraud.

Phishing - Phishing occurs whenever a cardholder receives a fake email directing him or her to enter sensitive personal information on a phony website. The false website enables the criminal to steal information from the cardholder.

Non-Receipt Fraud - This occurs whenever new or replacement cards are mailed and then stolen while in transit.

Identity Theft Fraud - Whenever a criminal applies for cards using another person's identity and information, this type of fraud occurs.

FRAUD

Non-Cardholder Fraud

- Non-cardholder fraud involves use of the card or cardholder data by an unauthorized person. The risk of non-cardholder fraud is higher in certain situations including:
  - Never Received
  - Lost Card
  - Stolen Card
  - Altered or Counterfeit Card
  - Account Takeover
- The cardholder and billing official need to be vigilant in their statement reviews to identify purchases that may have been made by an unauthorized cardholder. Immediately notify bank and A/OPC.

FRAUD

Cardholder Fraud

- Cardholder conspires with business owner/local company to make purchases not authorized by the cardholder's agency.
- Business owner approaches cardholder and offers to provide kickbacks to cardholder if he or she made supply purchases from his business.
- Cardholder obtains goods and services for personal use.

FRAUD

MILITARY DISCIPLINARY GUIDANCE

- Counseling
- Admonishment
- Reprimand
- Non-judicial punishment (Article 15)
- Civil enforcement action
- Pecuniary liability
- Criminal prosecution in civilian court

CIVILIAN EMPLOYEE DISCIPLINARY GUIDANCE

- 1st offense letter of counseling to removal
- 2nd offense 14-day suspension to removal
- 3rd offense 30-day suspension to removal

REGULATORY GUIDANCE CONCERNING FRAUD

Accountability for Illegal or Improper Use of the GPC

Cardholders and billing officials have been held accountable for illegal or improper use of the GPC. DoD has a structured approach to disciplinary actions

- **Example 1**

  One former DoD employee pled guilty to conspiracy to defraud the Government using his official purchase card. He was sentenced in U.S. District Court, Eastern District of Virginia, to 2 years probation, ordered to pay restitution and other fees of $70,100 and 6 months of electronic monitoring.

- **Example 2**

  Another former DoD employee pled guilty to using a Government credit card to buy a television for personal use. He was terminated from DoD employment and sentenced in Federal Court in the Eastern District of Texas to a $3,000 fine and ordered to pay $1,400 restitution.

- **Example 3**

  Another former DoD employee pled guilty to one-count criminal information charging him with theft using a Government credit card. He was sentenced in U.S. District Court, Eastern District of Virginia, to 4 months imprisonment, 4 months home detention, 3 years probation and ordered to pay $61,465 in restitution and other fees.

- **Example 4**

  Yet another former employee pled guilty to conspiracy in a fraudulent scheme involving the misuse of a purchase card while assigned to DoD. He was sentenced in U.S. District Court, Eastern District of Virginia, to serve a jail term of 12 months and one day, 24 months probation, and ordered to pay restitution and other fees totaling $120,100.

REGULATORY GUIDANCE CONCERNING FRAUD

Title 18 USC Section 287 and Title 10 USC Section 932

- Intentional use of the GPC for other than official Government business may be considered an attempt to commit fraud against the U.S. Government and will result in immediate cancellation of an individual's GPC and further disciplinary actions.

- The cardholder will be held personally liable to the Government for non-government transactions. Under Title 18 U.S.C. 287, misuse of the purchase card could result in a fine of not more than $10,000 or imprisonment for not more than five years or both. Military members who misuse the purchase card may be subject to court martial under Title 10 U.S.C. 932, UCMJ Art. 132. Depending on the circumstances, other sections of the US Code may apply and may carry additional penalties.

REGULATORY GUIDANCE CONCERNING FRAUD

DoD Directive 7000.15, DoD **Accountable Officials and Certifying Officers**

- Certifying Officials are liable for erroneous payments resulting from the negligent performance of their duties explained in the DoD Directive 7000.15, "DoD Accountable Officials and Certifying Officers, and DoD 7000.14, DoD Financial Management Regulation", Volume 5, Chapter 33. Such liability may be relieved under specific circumstances (Title 31 USC Section 3527 and 2538).
- Furthermore, cardholders are held responsible for erroneous payments resulting from the negligent performance of their duties.

ETHICS

Empowerment

- The purchase card empowers the user with a great ability to streamline the acquisition process and satisfy the needs of the job in an expeditious and efficient manner. As with all empowerment, it brings a responsibility to act ethically and within the constraints of laws and regulations.
- In the past, the ability to obligate Government funds was reserved for a very few highly trained procurement professionals. The trained professionals were schooled in law and regulation regarding the responsibilities inherent in spending taxpayer money. With the explosion of the GPC usage many non-procurement people now have been empowered to obligate Government funds.

ETHICS

Ethical Conduct

- Executive Orders (EOs) 12674 and 12731 establish Ethical Conduct and are the foundation for policy.
- EOs specify that employees are to avoid any action that might result in or create an appearance of:
  - Using public office for private gain,
  - Giving preferential treatment to any private organization or individual,
  - Adversely affecting public confidence in the Government's integrity,
  - Making unauthorized commitments, or
  - Defrauding the Government or failing to report fraud.
- The Agency Ethics Counselor is available for questions about the standards of conduct and ethical behavior.

ETHICS

Joint Ethics Regulatory Guidance

- In addition, all Government agencies are required to prescribe their own standards of conduct outlining agency exceptions to FAR 3.101 and disciplinary actions for persons violating those standards detailed in DoD Directive 5500.7-R, Joint Ethics Regulation, and Standards of Conduct for Employees of the Executive Branch, 5 CFR Part 2635).

- It is the responsibility of each employee to know and follow all general and agency standards of conduct.

Regulatory Guidance

Standards of Conduct

- Federal Acquisition Regulation (FAR 3.101) and 5 CFR Part 2635, Subpart B, establish general standards of conduct guidelines for all agencies. These regulations forbid any conflict of interest in Government-contractor relationships. No Government employee may solicit or accept any gratuity, gift, favor, entertainment or anything of monetary value from any party doing business with or seeking to obtain business with the employee's agency.

- 5 CFR 2635, Subpart G governs misuse of position including government resources. See 5 CFR 2635.701.

STANDARDS OF CONDUCT

- Gratuities/Gifts - $20 or less in value. Not to exceed $50 per year from the same vendor (off the shelf or promotional item)
- Avoid Appearance of Conflict of Interest
- Do not accept Special treatment or favoritism of vendors
- Do not use public office for private gain
- See separate training slides on Ethics

LIABILITY OF CARDHOLDERS AND BILLING OFFICIALS

- **Cardholders:**
  Shall be held PERSONALLY liable to the Government for any non-Government transactions.

- **Billing Officials:**
  Have pecuniary liable for improper payments resulting from misuse/abuse of the purchase card, and may be responsible to repay the Government if false, inaccurate, or misleading certification for payment is made.

THE DO'S AND DON'T OF PROCUREMENT INTEGRITY

- YOU SHALL:
  - 1. Fairly and impartially perform your duties.
  - 2. Report any offer of employment or gift that might raise doubts as to your impartiality.
  - 3. Safeguard source selection material.
  - 4. Accurately document all source selection decisions.
  - 5. If questions arise, consult an Ethics Counselor.
- YOU SHALL NOT:
  - 1. Use your position for personal gain.
  - 2. Make any promises that appear to bind the Government.
  - 3. Accept gifts from industry.
  - 4. Discuss procurement with unauthorized persons.
  - 5. Give the appearance of not being impartial.

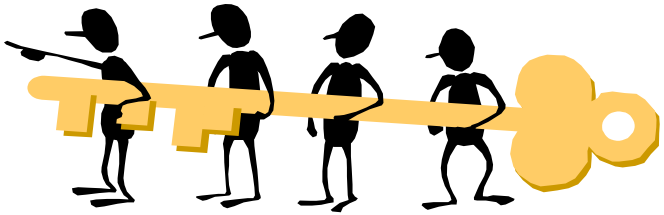
ETHICS AND PROCUREMENT INTEGRITY

Attend annual Ethics Training (DAU class CLM003{ and or class Provided by SJA})

- Cumulative FY purchases ≥ $25,000 required to file an annual Confidential Financial Disclosure Report (OGE 450)

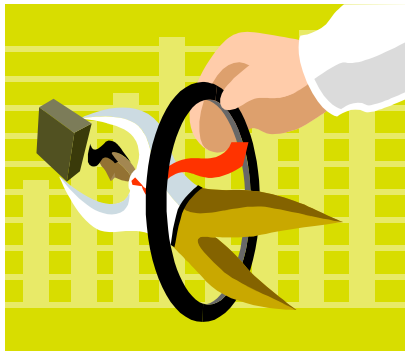
GPC CARD SECURITY

- Activate and endorse card upon receipt
- Keep your card in a locked container when not in use
- Instruct vendors to NOT put your card number on the invoice
  Instruct vendors to NOT store your credit card account number
- Report lost or stolen cards to US Bank Customer Service, Billing Official and APC IMMEDIATELY!
- Mask card/account number using the last 4 digits only in any form of written communication: I.e. XXXXXXXXXXXX5678
- Relinquish GPC to MICC - FORT SILL APC and discontinue use 45 calendar days prior to departure, re-assignment, retirement.



LET'S MAKE A GPC BUY! QUICK REFERENCE GUIDE

- You must have a valid military requirement with written authorization from your BO/Supervisor or Commander.
- You must have a valid funding approval from your Budget Analyst or Unit Budget tracker/accountant.
- You must first exhaust the mandatory sources of Supply. Attach your market research showing how ,and when ,you contacted the FAR 8 list of mandatory sources (in order):
  - Agency existing inventories
  - Excess of other Agency's inventories
  - Federal Prison Industries
  - AbilityOne sources (BEACON)
  - DoD EMALL
  - GSA Global Supply
  - GSA Advantage



LET'S MAKE A GPC BUY! QUICK REFERENCE (cont.)

- If you are forced to use Commercial Sources you must look for a fair and reasonable price
  - Attach your market research showing when, how, and who you contacted. Include what the prices were to document the current market price range and determine a range of price reasonability.
- You must obtain all necessary approvals:
  - Billing Official (ALWAYS)
  - Budget authority (ALWAYS)
  - Property book items *
    - Copies of all purchase receipts must be sent to PBO within 5 days of purchase
    - Reference your local PBO
  - Maintenance significant items *
    - Check with DOL/DPW
  - Information management/IT/AV-equipment/computers or related items *
    - Check with DOIM and or NETCOM
  - Facility renovations/construction *
    - Check with DPW

* (When Applicable… if in doubt, ASK!)

LET'S MAKE A GPC BUY! QUICK REFERENCE (cont.)

- Always inform vendors that you are Exempt from Sales Tax.
  - If they insist on charging Sales Tax you will NOT purchase from that vendor!
  - Contact your APC for official documentation of Sales Tax exemption (if needed).
  - Always check the receipt! If they charged tax by mistake get a refund before you leave the store!
- Always collect the receipt and attach your preceding purchase documentation to it.
- Always print the monthly statement and attach all your purchase receipt documentation packets to it before turning the originals over to the BO.
- Always print the internet screen that shows you reconciled/certified your account on time and keep it with your personal GPC records.

CONGRATULATIONS!

- This completes review of Fort Sill Government Purchase Card Ethics and Operations Training.
- To be appointed as a Billing Official, Alternate Billing Official, Cardholder or Resource Manager please submit:
  - GSA SmartPay 2 Training Certificate
  - USBank's ACCESS on Line Training Certificate
  - DOD GPC Tutorial Certificate
  - Complete Fort Sill GPC Training Test
    - Passing grade – 80%
    - MICC - FORT SILL APC will notify applicant of Test Score by e-mail and coordinate Account Set-Up as required.

THE END

Mission and Installation Contracting Command